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# HOUSE BILL No. 1503

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4-33.

**Synopsis:** Energize Indiana K-12 education initiative. Provides appropriations to K-12 education from securitized payments received under the tobacco master settlement agreement.

**Effective:** July 1, 2003.

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January 15, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1503

A BILL FOR AN ACT to amend the Indiana Code concerning education finance and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-4-33 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2003]:

4 **Chapter 33. Energize Indiana K-12 Education Fund**

5 **Sec. 1. As used in this chapter, "authority" refers to an**  
6 **authority, separate from the state, established to securitize**  
7 **payments received under the master settlement agreement (as**  
8 **defined in IC 24-3-3-6).**

9 **Sec. 2. As used by this chapter, "fund" refers to the fund**  
10 **established by section 3 of this chapter.**

11 **Sec. 3. The energize Indiana K-12 education fund is established**  
12 **to provide the necessary money for projects and programs that will**  
13 **energize academic achievement in Indiana.**

14 **Sec. 4. The fund shall be administered by the department of**  
15 **education.**

16 **Sec. 5. The expenses of administering the fund shall be paid**  
17 **from money in the fund. Interest that accrues from these**



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investments shall be deposited in the fund.

Sec. 6. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

Sec. 7. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 8. The authority shall make the following distributions for deposit in the fund on the schedule approved by the budget agency:

(1) One hundred twenty-five million dollars (\$125,000,000) in the state fiscal year beginning July 1, 2003, and ending June 30, 2004.

(2) Seventy-five million dollars (\$75,000,000) in the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

Sec. 9. If the authority has insufficient money to make the total amount of transfers required by law for any fiscal year, the authority shall make transfers for that fiscal year as directed by the budget agency after review by the budget committee.

Sec. 10. (a) The following amounts are appropriated from money distributed to the fund under section 8 of this chapter, in addition to any other amounts appropriated, for use by the department of education for the following specified periods and specified purposes:

(1) For purposes of distributions for tuition support, fifty million dollars (\$50,000,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004. The appropriation for tuition support in this subdivision shall be used for the calendar year 2003 tuition support deficiency and is meant to supplement other appropriations.

(2) For purposes of educational technology grants:

(A) twelve million nine hundred thousand dollars (\$12,900,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004; and

(B) twelve million nine hundred thousand dollars (\$12,900,000) for the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

Money appropriated in this subdivision shall be distributed according to a plan that shall be devised by the department of education and approved by the budget agency. The plan shall consider the assessed value per ADM (as defined in IC 21-3-1.6-1.1) for each school corporation consistent with IC 20-10.1-25.3-11.

(3) For purposes of intelenet commission Internet connection

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grants:

(A) three million dollars (\$3,000,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004; and

(B) three million dollars (\$3,000,000) for the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

Money appropriated in this subdivision shall be allocated annually to the intelenet commission (IC 5-21-2-1) to make matching grants to school corporations or to make payments directly to vendors for Internet connections and related equipment for school corporations. The intelenet commission shall develop a plan to implement grants under this section. The budget committee shall review the plan. The budget agency must approve the plan.

(4) For purposes of library connection/INSPIRE grants:

(A) three million dollars (\$3,000,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004; and

(B) three million dollars (\$3,000,000) for the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

Money appropriated in this subdivision shall be allocated to libraries, including the INSPIRE project. The Indiana library and historical board established by IC 4-23-7-2 and the budget agency may jointly make rules under IC 4-22-2 necessary or appropriate to the administration of the money appropriated in this subdivision. The budget agency may allot money to the Indiana library and historical board for the grants.

(5) For purposes of the technical assistance program:

(A) five million one hundred thousand dollars (\$5,100,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004; and

(B) five million one hundred thousand dollars (\$5,100,000) for the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

Money appropriated in this subdivision shall be used to provide funds to schools that are in need of technical assistance as a result of the continuous improvement requirements under IC 20-10.2-6. The department of education shall administer this program.

(6) For purposes of school library printed materials grants:

(A) one million dollars (\$1,000,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004; and

(B) one million dollars (\$1,000,000) for the state fiscal year

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beginning July 1, 2004, and ending June 30, 2005.

Money appropriated under this subdivision shall be used for the state match for grants to school corporations for the purpose of purchasing library printed materials. A school corporation that receives a grant must provide money in an amount equal to the amount provided in the grant.

(7) For purposes of academic achievement grants:

(A) fifty million dollars (\$50,000,000) for the state fiscal year beginning July 1, 2003, and ending June 30, 2004; and

(B) fifty million dollars (\$50,000,000) for the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

Money appropriated under this subdivision is for academic achievement grants. The purposes of the academic achievement grants are to provide additional funding along with spending flexibility to schools to promote academic progress under IC 20-10.2 and to work to eliminate the achievement gap.

(b) Money appropriated under subsection (a)(7) is subject to the following:

(1) In order to be eligible for academic achievement grant funds, a school corporation must submit an application to the department of education that must include the purpose or purposes for which the funds will be used and how the purpose or purposes will increase student academic performance and address the achievement gap within the school corporation.

(2) Each application shall be reviewed by a state peer review panel chaired by a designee of the state superintendent of public instruction and consisting of at least one (1) each of the following:

(A) A teacher.

(B) A superintendent.

(C) A school principal.

(D) A business leader.

(E) A university faculty member with expertise in K-12 education.

(3) If a school corporation's application is granted, all funds received by the school corporation for the programs funded by the grant must be spent in the manner prescribed by the plan submitted as part of the application. If stated in the initial application for funding, a school corporation that has received an academic achievement grant may transfer any or

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all funding for the following programs to enhance the plan set out in their initial application:

- (A) Alternative schools.
- (B) Early intervention program.
- (C) Full day kindergarten.
- (D) Gifted and talented education program.
- (E) Non-English speaking program.
- (F) Professional development distribution.
- (G) Distribution for summer school.

(4) If stated in the school corporation's initial application, a school corporation may use any or all of its academic achievement grant to improve student performance, including enhancing any existing programs.

(5) A school corporation that successfully submits a grant and receives funds from a grant must submit a report to the department of education before June 30 of each year describing how the funds were used to achieve the goals of the grant program. The state board of education, in consultation with the education roundtable, shall adopt rules under IC 4-22-2 to carry out these academic achievement grants.

Sec. 11. This chapter expires July 1, 2005.

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